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**TRAILBLAZER RESOURCE CONSERVATION
AND DEVELOPMENT AREA, INC.**

FINANCIAL REPORT

DECEMBER 31, 2002

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 23 2003

**TRAILBLAZER RESOURCE CONSERVATION
AND DEVELOPMENT AREA, INC.**

FINANCIAL REPORT
DECEMBER 31, 2002

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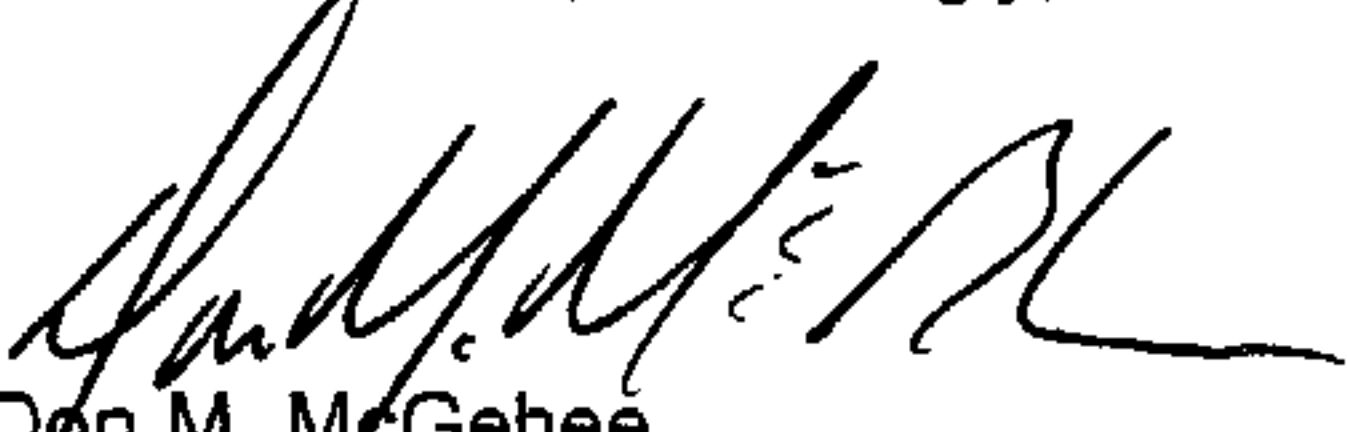
DON M. McGEHEE
(A Professional Accounting Corporation)
P.O. Box 1344
806 North Trenton
Ruston, Louisiana 71273-1344

ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors of
Trailblazer Resource Conservation and Development Area, Inc.
302 Reynolds Drive
Ruston, Louisiana 71270

I have compiled the accompanying statement of financial position of Trailblazer Resource Conservation and Development Area, Inc. as of December 31, 2002, and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



Don M. McGehee
Certified Public Accountant

March 31, 2003

**TRAILBLAZER RESOURCE CONSERVATION
AND DEVELOPMENT AREA, INC.**

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2002

ASSETS

CURRENT ASSETS

| | |
|---------------------------|---------------|
| Cash and Cash Equivalents | \$ 91,846 |
| Accounts Receivable | 2,066 |
| Due from Grantors | <u>11,559</u> |

TOTAL CURRENT ASSETS 105,471

Property and Equipment - Net of Accumulated Depreciation 145,002

TOTAL ASSETS \$ 250,473

LIABILITIES AND NET ASSETS

LIABILITIES

CURRENT LIABILITIES

| | |
|-----------------------------------|---------------|
| Accounts Payable | \$ 1,831 |
| Accrued Liabilities | 2,268 |
| Current Portion of Long-Term Debt | <u>20,491</u> |

TOTAL CURRENT LIABILITIES 24,590

LONG-TERM DEBT 32,287

TOTAL LIABILITIES 56,877

NET ASSETS

Unrestricted 193,596

TOTAL NET ASSETS 193,596

TOTAL LIABILITIES AND NET ASSETS **\$ 250,473**

See accountant's report.

See accompanying notes to financial statements.

TRAILBLAZER RESOURCE CONSERVATION AND DEVELOPMENT AREA, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002

CHANGES IN NET ASSETS:

| | |
|---|----------------|
| Revenues | |
| Federal Grant Revenue | \$ 104,884 |
| State Grant Revenue | 4,876 |
| Interest Income | 1,554 |
| Miscellaneous | 15 |
| Rent Income | 7,150 |
| Sale of Backyard Composters, Grant Handbooks, Newspapers and Cans for Recycling, and Trees | 18,468 |
| Service Fee | 4,296 |
| Sponsor Dues from Local Governments | 11,300 |
| Support for Programs Local Governments | 2,500 |
| Total Unrestricted Revenues | <u>155,043</u> |

EXPENSES

| | |
|-----------------------------------|----------------|
| Program Services | |
| Backyard Composting | 544 |
| Litter Education | 3,261 |
| Nature Tourism | 4,951 |
| North Central Louisiana Recycling | 64,699 |
| Other | 4,669 |
| Tree Initiative | 5,394 |
| Wildfire Education | 860 |
| Supporting Services | |
| Administrative Services | |
| Accounting | 3,600 |
| Building Repairs and Maintenance | 2,439 |
| Depreciation | 12,879 |
| Equipment Repairs and Maintenance | 1,545 |
| Insurance | 6,819 |
| Interest | 2,877 |
| Meetings | 3,618 |
| Office Supplies | 2,281 |
| Other | 732 |
| Salaries and Wages | 11,701 |
| Telephone and Utilities | 1,639 |
| Taxes and Licenses | 3,447 |
| Travel | 817 |
| Total Expenses | <u>138,772</u> |

TOTAL INCREASE IN NET ASSETS 16,271

NET ASSETS - BEGINNING OF YEAR 177,325

NET ASSETS - END OF YEAR \$ 193,596

See accountant's report.

See accompanying notes to financial statements.

**TRAILBLAZER RESOURCE CONSERVATION
AND DEVELOPMENT AREA, INC.**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2002

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|----------------|
| Cash Received from Sponsors and Others | \$ 151,755 |
| Cash Received from Sales and Service Fees | 520 |
| Interest Income Received | 1,554 |
| Cash Payments for Goods and Services | (74,301) |
| Cash Payments to Employees | (48,387) |
| Interest Payments | <u>(2,877)</u> |
| Net Cash Provided by Operating Activities | <u>28,264</u> |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|---------------------------------------|-----------------|
| Purchase of Equipment | <u>(32,559)</u> |
| Net Cash Used by Investing Activities | <u>(32,559)</u> |

CASH FLOWS FROM FINANCING ACTIVITIES

| | |
|---------------------------------------|---------------|
| Principal Payments on Notes Payable | (22,108) |
| New Borrowings | <u>23,046</u> |
| Net Cash Used by Financing Activities | <u>938</u> |

Net Increase in Cash (3,357)

Cash at Beginning of Year 95,203

Cash at End of Year \$ 91,846

**RECONCILIATION OF CHANGE IN NET ASSETS TO
NET CASH PROVIDED BY OPERATING ACTIVITIES:**

| | |
|--|------------------|
| Change in Net Assets | \$ 16,271 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: | |
| Depreciation | 12,879 |
| (Increase) Decrease in Accounts Receivable | 287 |
| (Increase) Decrease in Due from Grantors | (1,501) |
| Increase (Decrease) in Accounts Payable | 795 |
| Increase (Decrease) in Accrued Liabilities | <u>(467)</u> |
| Total Adjustments | <u>11,993</u> |
| Net Cash Provided by Operating Activities | <u>\$ 28,264</u> |

See accountant's report.

See accompanying notes to financial statements.

TRAILBLAZER RESOURCE CONSERVATION AND DEVELOPMENT AREA, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2002

The Trailblazer Resource Conservation and Development Area, Inc. (Trailblazer) is a Louisiana nonprofit corporation, organized in October, 1966 and chartered in July, 1988. Trailblazer covers an eight parish (i.e., Bienville, Bossier, Claiborne, Jackson, Lincoln, Union, Webster, and Winn) area in north central Louisiana. This corporation is organized to operate for the purpose of educating the people living in the area to accelerate the development, conservation, and wise use of human, financial, and natural resources in order to improve the standard of living and the quality of life in the area. Trailblazer is exempt from federal income tax as an organization described in Section 501 (c) (3) of the Internal Revenue Code. The corporation received their tax exempt status in December, 1988.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF REVENUE RECOGNITION

Trailblazer recognizes sponsor dues, interest income, rent income, service fees, sales, and other income on the accrual basis. Support for programs is recognized in the period received. Grant awards are recognized on an accrual basis, unless the grant is determined to be a conditional promise to give. These grants are classified as refundable advances until the conditions of the grant have been substantially met. Support and contributions are measured at their fair values and are reported as an increase in net assets. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on hand, cash held in checking accounts, and cash held in the Louisiana Asset Management Pool.

PROPERTY AND EQUIPMENT

Land, buildings, and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful life of the asset, which is as follows:

| | |
|-----------|--------------|
| Buildings | |
| Permanent | 40 years |
| Portable | 15 years |
| Equipment | 3 to 5 years |

ADVERTISING COSTS

There were no advertising costs for the year ended December 31, 2002.

VACATION AND SICK LEAVE

There were no accumulated and vested vacation and sick leave benefits at year end.

NON-INTEREST BEARING NOTE PAYABLE

Interest is imputed on non-interest bearing notes payable with the difference between the present value and the face amount treated as a discount or premium and amortized as interest expense over the life of the note using the interest method.

**TRAILBLAZER RESOURCE CONSERVATION
AND DEVELOPMENT AREA, INC.**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH

Cash consists of cash on hand and demand deposits. Deposits are carried at cost which approximates market value. At December 31, 2002, the carrying amount of deposits was \$91,815 and the bank balance was \$107,558; \$21,018 of the bank balance was covered by federal depository insurance and the balance of \$86,540 was invested in the Louisiana Asset Management Pool (LAMP), which is not insured by the federal depository insurance company. Cash on hand at December 31, 2002, was \$31.

NOTE 3 - PROPERTY AND EQUIPMENT

At December 31, 2002, the costs and related accumulated depreciation of fixed assets consisted of the following:

| | |
|--------------------------------|-------------------|
| Land | \$ 15,000 |
| Buildings | 106,625 |
| Equipment | <u>71,995</u> |
| Total Property and Equipment | 193,620 |
| Less: Accumulated Depreciation | <u>(48,618)</u> |
| Net Property and Equipment | \$ <u>145,002</u> |

NOTE 4 - LONG-TERM DEBT

Trailblazer's obligation at December 31, 2002, under long-term debt consisted of the following:

| | |
|---|------------------|
| Note payable due in monthly installments of \$1,093 through September, 2008, at a variable interest rate (currently at 3.75%) to Community Trust Bank collateralized by a mortgage note on Trailblazer's property and building. | \$ 35,741 |
| Note payable due in monthly installments of \$698 through January, 2005, at a stated interest rate of 0%, to Wray Ford, Inc., collateralized by a 2002 Ford Truck. The face amount of the note is \$25,146 which was discounted \$2,100 to the present value of the note using an effective interest rate of 5.75%. | <u>17,037</u> |
| Total Long-Term Debt | 52,778 |
| Less: Current Maturities included in current liabilities | <u>(20,491)</u> |
| Long-Term Debt, Net of Current Maturities | \$ <u>32,287</u> |

**TRAILBLAZER RESOURCE CONSERVATION
AND DEVELOPMENT AREA, INC.**
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

NOTE 4 - LONG-TERM DEBT (CONTINUED)

Maturities of long-term debt at the current interest rates are as follows:

| | |
|------|----------|
| 2003 | \$20,491 |
| 2004 | \$20,537 |
| 2005 | \$11,750 |

NOTE 5 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of support and revenues, expenses and changes in fund balances. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 6 - FEDERAL AND STATE GRANTS

Trailblazer's federal, state and local grant award revenue for the year included the following grants:

| <u>Grant Name</u> | <u>Grant Year</u> | <u>CFDA#</u> | <u>Amount</u> |
|---|------------------------|--------------|-------------------|
| Federal Grants: | | | |
| Economic Recovery Nature Tourism | 8/1/01 to 7/31/02 | 10.670 | \$ 856 |
| Solid Waste Management North Central Louisiana Recycle Program | 9/1/01 to 8/31/02 | 10.762 | 66,692 |
| Solid Waste Management North Central Louisiana Recycle Program | 9/3/02 to 8/31/03 | 10.762 | 33,336 |
| Resource Conservation and Development Clerical Assistance | 7/13/02 to 9/30/02 | 10.901 | <u>4,000</u> |
| Total Federal Grant Revenue | | | <u>104,884</u> |
| State Grants: | | | |
| LA Department of Environmental Quality Litter Education | 8/26/02 to 6/30/03 | N/A | 1,651 |
| LA Department of Agriculture and Forestry Wildfire Education | 9/15/02 to 12/31/03 | N/A | <u>3,225</u> |
| Total State Grant Revenue | | | <u>4,876</u> |
| Total Grant Revenue | | | \$ <u>109,760</u> |

**TRAILBLAZER RESOURCE CONSERVATION
AND DEVELOPMENT AREA, INC.
AFFIDAVIT AND REVENUE CERTIFICATION**

**ANNUAL SWORN FINANCIAL STATEMENTS AND
CERTIFICATION OF REVENUES \$50,000 OR LESS**

The annual sworn financial statements are required by Louisiana Revised Statute 24:514 to be filed with the Legislative Auditor within 90 days after the close of the fiscal year. The certification of revenues \$50,000 or less is required by Louisiana Revised Statute 24:513(l)(1)(c)(i).

AFFIDAVIT

Personally came and appeared before the undersigned authority, Dillust Ribera
who, duly sworn, deposes and says that the financial statements herewith given present fairly the
financial position of the Trailblazer Resource Conservation and Development Area, Inc., as of
December 31, 2002, and the results of operations for the year then ended, in accordance with the
basis of accounting described within the accompanying financial statements.

In addition, Dillust Ribera, who, duly sworn, deposes and says that Trailblazer
Resource Conservation and Development Area, Inc. received \$50,000 or less in state and local
assistance for the fiscal year ending December 31, 2002, and accordingly, is not required to have an
audit for the previously mentioned fiscal year-end.

Dillust Ribera
Signature

Sworn to and subscribed before me this 27th day of March, 2003.

Renee G. Pickens
NOTARY PUBLIC

Officer Dillust Ribera
Address 302 Reynolds Drive
Ruston, Louisiana 71270
Telephone No. 318-255-3554